

11-mj-4267-TSH

AFFIDAVIT OF FREDERICK T. BUSCH

I, Frederick T. Busch, having been duly sworn, hereby depose and state as follows:

1. I have been a Postal Inspector with the United States Postal Inspection Service since March 2006. I am currently assigned to the Boston Division's Fraud Team. During my employment as a Postal Inspector, I have conducted and participated in investigations of financial crimes, including mail, bank, and wire fraud, identity theft, money laundering, and tax fraud. I have served as the affiant for multiple search warrants and criminal complaints, and I have participated in the execution of search and arrest warrants.

2. I submit this Affidavit in support of criminal complaint charging LAWRENCE AMIRTO, JAMON CASWELL and WILLIAM TOTARO with mail fraud in violation of 18 U.S.C. § 1341 and conspiracy to commit mail fraud in violation of 18 U.S.C. § 371.

3. The information set forth in this Affidavit has been derived from a joint investigation of the United States Postal Inspection Service ("Postal") and the Federal Bureau of Investigation ("FBI"). This Affidavit is based on statements made to me by witnesses or others assisting with the investigation and my review of business records and other documents.

4. This Affidavit does not detail all of the facts known to me regarding this matter, but instead relates only those facts that I believe are necessary to establish the requisite probable cause for issuance of the requested complaint.

OFFENSE SUMMARY

5. From in or about June 2010 to December 2010, in the District of Massachusetts and elsewhere, LAWRENCE AMIRTO (“AMIRTO”), JAMON CASWELL (“CASWELL”), WILLIAM TOTARO (“TOTARO”), and others conspired to defraud over 150 victims out of at least \$368,430.54 in a business opportunity advance fee scheme. AMIRTO, CASWELL, TOTARO and others falsely claimed that Premier Service Group, Inc. (“PSG”) provided credit repair services to consumers. They also advertised the sale of independent “affiliates” whereby the affiliate would purchase a geographic territory and would receive “warm” leads from PSG for potential credit repair clients within that territory. The leads, according to PSG, came from individuals who visited PSG’s various websites, expressed an interest in having their credit repaired, and provided contact information on the website for a call back. The affiliate was to contact these leads, describe the services that PSG would provide, sign them up as clients of PSG and earn a commission. Affiliates were told that representatives at PSG’s home office in Burlington, MA would then provide the actual credit repair service. In fact, no credit repair service was ever provided. Instead, the conspirators operated a pyramid-type scheme as newly recruited “affiliates” were immediately given the “opportunity” to recruit additional affiliates. In this way, the conspirators diverted the new affiliates from learning that there was no actual credit repair business while victimizing still more “affiliates.” The funds collected from new affiliates were used to make payments to other affiliates, for expenses associated with the scheme, or for the operators’ personal expenses.

THE PSG CONSPIRACY

Setting Up PSG

6. Premier Service Group, Incorporated was registered in the state of Massachusetts as a Domestic Profit Corporation on February 29, 2008, with a principal place of business at 15 New England Executive Park, Burlington, MA 01803. According to the Massachusetts Secretary of State, Corporations Division, the officers of the company are listed as Jamon Carswell, President & Director, Lawrence Anirto, Treasurer & Director, William Tataro, Vice President & Director, and Jerry Lawrence, Secretary & Director.¹

7. PSG promoted itself as a credit repair company, which provided credit repair specialists 24-hours a day by phone or online. For the duration of the fraud scheme, PSG maintained numerous websites, including www.premierservicegroup.biz, www.premierservicegroup.net and www.psgcreditrepair.biz. One of the websites advertised:

Not only do we dispute items with the three credit reporting agencies (which not all even do that); we also send disputes directly to your creditors, collection agencies, and even courthouses! We do 100% full disputing process, not just a simple bureau dispute. We do not charge any extra for our direct dispute approach.

According to records provided by Go-Daddy.com, which hosted websites www.premierservicegroup.biz and www.premierservicegroup.net, “William Tataro” created the sites on June 26, 2010. “Tataro” provided a phone number of 978-944-1699 and an e-mail address of close2today@yahoo.com. AT&T Wireless records revealed that phone number 978-944-1699 was subscribed to “Jerry Lawrence” with an address of 15 New England Executive

¹ “Jamon Carswell,” “Lawrence Anirto,” and “William Tataro,” are all misspelled versions of the names of the three subjects CASWELL, AMIRTO and TOTARO. As set forth below, the investigation revealed probable cause to believe that “Jerry Lawrence” is an alias for AMIRTO.

Park, Burlington, MA from June 24, 2010 to December 12, 2010. Records from Yahoo revealed that the close2today@yahoo.com email address was created on December 12, 2006 in the name of Close Two Today with an address of Pompano Beach, FL.² “Tataro” also created www.psgcreditrepair.com on August 26, 2010. Go-Daddy.com provided records which revealed “Tataro” created a total of 13 websites, including the aforementioned, between June 26, 2010 and November 15, 2010.

8. The Regus Corporation is located at 15 New England Executive Park, Burlington, MA (the address provided to the Secretary of State in connection with the PSG registration), where it operates what are known as “virtual office spaces.” According to the Regus website, www.virtualoffices.regus.com, customers use Regus to “project a great business image, access a private office and support, and keep overhead down.” Regus offers two levels of virtual office space, Virtual Office and Virtual Office Plus. In general, both packages offer a “professional business address to use as your own,” a dedicated local phone number and receptionist to answer in your company name, mail collection and handling, two days of private office access each month, and the free use of business lounges and café’s worldwide.

9. According to records provided by Regus, “Jerry Lawrence,” on behalf of PSG completed an Online Virtual Office Agreement with Regus on June 24, 2010. “Lawrence” provided an address of 3907 N. Federal Hwy, Lighthouse Point, FL 33064 and an e-mail address of close2today@yahoo.com. “Lawrence” also supplied a phone number of 978-944-1699. As set forth in Paragraph 7 above, “Tataro” provided the same phone number and email address to

² Law enforcement databases and United States Postal Service address checks revealed that TOTARO lives in Pompano Beach, FL.

Go-Daddy.com when setting up the PSG websites. "Lawrence" requested that mail for PSG be forwarded to the following address: 3907 N. Federal Hwy, #180, Pompano Beach, FL 33064.

10. 3907 N. Federal Hwy, Pompano Beach, FL is the location for a Commercial Mail Receiving Agency ("CMRA") doing business as "The Merry Mailman." CMRA's are commonly used by consumers to rent private mail boxes ("PMB") as an alternative to renting a post office box to receive mail. CMRAs must file appropriate paperwork with the United States Postal Service ("USPS"), including a USPS Form 1583, *Application for Delivery of Mail Through Agent*, in order to receive mail delivery on behalf of a postal customer. These forms are required to be kept on file with the CMRA and with the post office that services the CMRA. In addition to requiring a USPS Form 1583, two forms of valid identification are secured from the customer applying for the PMB.

11. The USPS Form 1583 supplied by the CMRA identified the renter for Box #180 as TOTARO. In addition, TOTARO provided a copy of his Florida driver's license during the application process. Carla Felini, Manager of The Merry Mailman recently advised that TOTARO opened Box #180 on January 10, 2006 and that the box was still active. As of June 16, 2011, TOTARO was receiving mail for two separate corporations, National Web Marketing, Inc. and Close3Today.com, Inc. Felini stated that she has advised TOTARO he is not allowed to receive mail in more than one business name and told him he had to discontinue mail delivery for Close3Today. Felini recalled that mail had previously been delivered to Box #180 in the name of PSG.

12. On June 29, 2010, CASWELL opened five business bank accounts on behalf of PSG with TD Bank in person at the TD Bank branch at 280 Montvale Avenue, Woburn, MA. CASWELL acted as the signatory on all five accounts:

- a. Account # 8247604974 – Premier Service Group, Inc., General 1;
- b. Account # 8247604966 – Premier Service Group, Inc., General 2;
- c. Account # 8247604990 – Premier Service Group, Inc., Operating;
- d. Account # 8247604982 – Premier Service Group, Inc., Payroll; and
- e. Account # 8247604940 – Premier Service Group, Inc., Expenses.

On July 6, 2010, CASWELL went to the same TD Bank branch in Woburn and added AMIRTO and TOTARO as co-signers to all five accounts. Bank surveillance photographs captured an individual whom I identified using Registry of Motor Vehicle records as CASWELL opening the accounts as well as adding the co-signers.

13. On July 30, 2010, “Jerry Lawrence” opened a telephone account online through the website www.toktumi.com, which provides voice-over IP phone service³ for a monthly fee. “Lawrence” provided an e-mail address of jerrylawrence@premierservicegroup.net and cellular phone number 561-901-5461. Law enforcement database checks conducted through Accurint for 561-901-5461 revealed the number was an AT&T cellular number assigned to AMIRTO with an address of 4761 NW 28th Ave, Boca Raton, FL 33434. Records provided by AT&T revealed that telephone number 561-901-5461 has been subscribed to in the name of AMIRTO, 4761 NW 28th Avenue, Boca Raton, FL since October 16, 2008. Toktumi assigned AMIRTO, using the alias of “Jerry Lawrence,” with telephone number 781-348-6398, a voicemail box, message forwarding service and SMS messaging capability. A debit card was used to pay the monthly fee until

³ Voice-over IP (“VoIP”) is a technology that allows you to make voice calls using a broadband Internet connection instead of a regular (or analog) phone line. Some VoIP services may only allow you to call other people using the same service, but others may allow you to call anyone who has a telephone number - including local, long distance, mobile, and international numbers. Also, while some VoIP services only work over your computer or a special VoIP phone, other services allow you to use a traditional phone connected to a VoIP adapter.

December 2010, at which time the card was declined due to the account being suspended. TD Bank records for the PSG General 1 account (number 8247604974) revealed a charge for Toktumi \$14.95 on September 21, 2010.⁴

14. On September 20, 2010, "Lawrence" added another phone line, 781-209-5866, to the Toktumi account for service in the name of "Jay Carswell," using e-mail address jaycarswell@premierservicegroup.net.

Recruiting Victim Affiliates

15. Beginning on or around July 12, 2010, PSG placed advertisements in various publications mailed to customers throughout the United States as well as through websites, offering job opportunities for independent affiliates. In total, over 170 advertisements were placed in publications in at least 39 states or on various internet websites from July 12, 2010 until November 15, 2010.

16. For example, in an advertisement placed with *The Republican*, a newspaper based in Springfield, MA, the advertisement read in its entirety:

BUSINESS FOR SALE, established 3 yrs., will teach and stay for 30 days. Nets \$80k, \$3,800/down. Call Jerry 201-243-7550.

Records provided by The Republican Corporation revealed that "William Tataro," on behalf of PSG, contacted *The Republican* by telephone and requested the advertisement be placed. "Tataro" provided a phone number of 781-328-0252 and paid for the advertisement by credit card⁵ for the advertisement to run at various times from September 26, 2010 through September 29, 2010. Vocalocity, the service provider for phone number 781-328-0252, produced records

⁴ Toktumi records reflect that there was a 30-day trial period on the account and the first payment was due in September 2010.

⁵ Credit card information was purged per normal protocol after the transaction was completed.

which identified the subscriber as Premier Service Group, c/o "Jerry Lawrence" and "William Tataro," 15 New England Executive Park, Burlington, MA 01803.

17. In another advertisement placed with the *Union Leader* in New Hampshire, the advertisement read in its entirety:

Financial Consulting Business for Sale: Established 3 years. Will teach and stay for 30 days. Nets \$80k, \$3,800 down. Call Jerry 1-800-731-1951.

Records provided by the *Union Leader* Corporation revealed that "William Tataro," on behalf of PSG, contacted the *Union Leader* by telephone and requested the advertisement be placed. "Tataro" provided the same phone number of 781-328-0252.

18. Responding to the advertisements, the victims would call a number for "Jerry Lawrence," and leave a voicemail to which they would receive a callback. Various recruiters for PSG often made the initial contact with victim affiliates and then turned the prospect over to "Jerry Lawrence." When potential affiliates responded to the advertisements, "Jerry Lawrence" would offer to hire them as affiliates who would recruit new affiliates to work for PSG rather than as affiliates hired to recruit new clients. "Lawrence" provided the victims with references, answered questions the victims had about the company, and then signed the victims up with PSG and provided wire transfer coordinates (account and routing numbers) for PSG bank accounts, or a mailing address for PSG where the victims could send their initial fee. Victims made contact with "Lawrence" only though e-mail or telephone.

19. In order to create time pressure on the prospect, "Lawrence" or others would tell the prospect that PSG was on the verge of choosing an affiliate for the person's geographic area, and would state that PSG was talking to others to select such an affiliate. At various times, "Lawrence" also told investors that the amount of the initial fee had gone up because of the large

number of people responding to the advertisements. "Lawrence" told the prospects that if they got their initial fee in by a certain date, usually the next day, he would honor the lesser amount and lock them into their preferred geographic area.

20. "Lawrence" routinely gave prospects a list of references whom "Lawrence" identified as affiliates with PSG, and the references routinely provided positive reviews of PSG and of "Jerry Lawrence." The reference list often included Burlington, Massachusetts resident Michael Sacca, telephone number 781-879-3412. According to victim affiliates Gary and Lorelei Lamm of Soulsbyville, CA, when they contacted Sacca and asked about his experience with PSG, Sacca stated he was pleased with PSG and with "Jerry Lawrence." Another victim affiliate, Daniel D'Alessio of Staten Island, NY, reported he spoke with Sacca who claimed that he was making \$100,000 to \$150,000 a year working as a credit repair affiliate, that he had known "Jerry Lawrence" for many years, and that had nothing bad to say about "Jerry Lawrence."

21. Investigators compiled a list of PSG victims based on TD Bank deposit records and Paypal records, as well as complaints reported to law enforcement. A review of the PSG victim list revealed Sacca did not work for PSG as an affiliate, a review of corporate records revealed that Sacca was not an officer of the company, and a review of bank records revealed that Sacco did not wire money into the PSG accounts and that no check from Sacca was deposited into those accounts. Furthermore, the payroll batch list of ACH transfers for PSG provided by TD Bank did not contain any listing for Sacca. A detective with the Burlington Police Department in Massachusetts advised he was familiar with Sacca and that Sacca was an associate of CASWELL.

22. Records provided by Verizon Wireless, the service provider for phone number 781-879-3412 (the phone number PSG provided for Sacca), revealed that the subscriber was "Jay Carswell," 15 New England Executive Park, Burlington, MA 01803. Verizon representatives advised the phone utilized was a "throw-away" phone paid for in cash which did not require a credit check, and therefore, could not verify the identity of the subscriber. The phone was activated on July 6, 2010 and is currently in use.

23. After the victims contacted "Jerry Lawrence" at the phone number provided on the advertisement, new applicants were asked to fill out an online "New Affiliate Application" and e-mail the completed application back to "Jerry Lawrence." "Jerry Lawrence" then e-mailed prospective Affiliates a contract entitled "Premier Service Group, Inc. Affiliate Agreement." This two-page agreement included the following representations:

- The Company (*i.e.*, PSG) agrees to train and support the Affiliate in all aspects of a business that engages in credit restoration;
- The Company agrees to supply to the Affiliate all leads needed to operate this business, (a minimum of 150 leads per week) and will make available on an ongoing basis all of the training and support necessary to become successful;
- The Company will pay commissions to the Affiliate from new customer payments and monthly service fees;
- The Affiliate agrees to pay to the Company between \$7,600.00 and \$8,800.00 for the business: half of the money due upon the signing of the agreement, and half payable in 90 days as a monthly fee for 12 months;
- The Affiliate will have a 90 day trial period, during which he/she will receive a salary of \$800.00 per week, the Company will retain all revenues generated during that period; the Affiliate may switch to a commission at any time during the trial period; and
- If the Affiliate, after operating the business for 90 days, decides that the business is not a good fit for them, they will have the option of severing their relationship with the Company without any further financial obligation and receiving a full refund of their initial deposit, less any salary or commissions paid to them.

The agreement was electronically signed by “Jerry Lawrence” and required the applicant to sign the back page and fax to a number associated with PSG, including to fax number 781-268-5065. The service provider for fax number 781-268-5065, Vocalocity, provided records which identified the subscriber as Premier Service Group, c/o “Jerry Lawrence” and “William Tataro,” 15 New England Executive Park, Burlington, MA 01803. The fax number was assigned to e-mail address fax@premierservicegroup.net in July 2010. This enabled those with access to the email address to receive fax contents via e-mail from virtually anywhere.

24. As described in the advertisements and the Affiliate Agreements, victims have advised that they were required to pay an upfront fee ranging between \$3,800 and \$4,400 in order to be trained as an “Affiliate” and to be given a geographic territory to receive customer leads.

25. In order to lull victim affiliates into believing that their funds were being used to start up their home business, victims received notifications of scheduled trainings, and some received a Cisco telephone system for their new home office. Many of the victims reported being told they needed to pass an online test with the National Association of Credit Services Organizations in order to qualify to work in the credit repair industry. Victims also received e-mail communications from PSG “Tech Support” employee “Will Morse” which contained instructions on how to set up their user names and passwords. Many of the victims corresponded via e-mail with Morse for help in getting their phone and websites set up.

26. New affiliates were provided with leads by email so that they could begin recruiting additional affiliates. New affiliates were provided various documents by or through “Jerry Lawrence,” including a script for the affiliate to use when calling to recruit new prospects who had previously responded to the advertisements. During these calls, the recruiters made the

following misrepresentations to potential affiliates: (1) that the owners of the company, “Jay Carswell” and “Jerry Lawrence,” had been in the real estate business for over 20 years; (2) that PSG is one of the largest credit repair firms in the United States; (3) that there is no cold calling to prospective clients; (4) that the average affiliate was signing 18-20 new clients per week; (5) that PSG would provide the affiliate a minimum of 150 leads per week; and (6) that, if accepted as an affiliate of PSG, the affiliate would receive a written guarantee that they will generate an income of at least \$100,000 per year.

27. As part of the effort to lull victim affiliates into believing they were making money, PSG paid some of the victims weekly salary payments of around \$800. Bank records revealed that, at various times, such payments came from money invested by other victims.

28. The training that PSG offered was in the form of conference calls, whereby the victims were told to call into a teleconference to receive two hours of training per day for two weeks. Numerous victims reported calling into the training number only to find that there was no training session scheduled. When the victims attempted to contact AMIRTO, known to them as “Jerry Lawrence,” in order to request a return of their money, they received an answering service message that “Lawrence” was no longer with the company. When victims contacted other affiliates, they were told that “Lawrence” could not be located.

29. One victim, David Sherman of University Heights, Ohio, provided a written statement to Burlington MA Police Department. Sherman wrote that after speaking to an individual who identified himself as “Jerry Lawrence” in September 2010, he and his brother paid \$6,000 each to join PSG as independent affiliates. The Shermans were told that they would be trained to call clients who were in need of credit score repair and then sign the clients up with PSG. The clients would then be referred to PSG in Burlington, MA where the actual credit

repair would be performed. Sherman wrote that they were immediately asked if they would like to be trained to recruit more affiliates instead of clients because "the boss liked the way we handled ourselves on the phone." Sherman estimated that he recruited between 40-50 affiliates over a two-month period beginning in September 2010. After being paid weekly for a month and a half, "Lawrence" no longer responded to phone calls and no more payments were made.

30. A representative of PSG misrepresented to at least one victim, Mary Bennin of Racine, WI, that PSG employed 100 affiliates and had 23,000 clients working to repair their credit. To date, the investigation has not identified any clients who received credit repair services.

Victim Payments

31. Approximately 150 victims located throughout the U.S. either mailed checks to the PSG mail box in Burlington, MA, made payments using a PSG Paypal account described below, or wire transferred applicant fees to accounts at TD Bank in Massachusetts controlled by CASWELL, AMIRTO and TOTARO.

32. CASWELL, AMIRTO and TOTARO all accessed the TD Bank PSG accounts and deposited and/or withdrew funds from the accounts.

33. For example, bank surveillance photographs show CASWELL and TOTARO making withdrawals from the PSG accounts in Massachusetts and in Florida.

34. TD Bank also provided 20 audio recordings of an individual identifying himself as Lawrence AMIRTO calling into a TD Bank call center for various reasons relating to the PSG

accounts. In each instance, AMIRTO called from telephone number 781-328-0257.⁶ The service provider for phone number 781-328-0257, Vocalocity, provided records which identified the subscriber as Premier Service Group, c/o “Jerry Lawrence” and “William Tataro,” 15 New England Executive Park, Burlington, MA 01803.

35. In one recorded call supplied by TD Bank dated September 9, 2010, AMIRTO initially identified himself as “Jerry Lawrence.” When the customer service representative advised AMIRTO that there was no “Jerry Lawrence” associated with the account, AMIRTO then identified himself as Lawrence AMIRTO, then elaborated, “My middle name is Gerard, everybody calls me Jerry Lawrence.”

36. In many of the other recorded calls, AMIRTO complained that his ATM card was not working, requested assistance in setting up ACH transfers as payroll payments, or needed assistance in receiving incoming wires.

37. A review of the TD Bank records revealed that once funds were mailed or wired to a PSG account, the funds became co-mingled and moved between the five PSG accounts. Funds were generally transferred between accounts via online requests.

38. TOTARO also logged into TD Bank Online to access the PSG accounts, including in November 2010. A sample of IP addresses disclosing the dates and times the PSG accounts were logged into was provided by TD Bank and included IP addresses 173.122.135.138, 173.149.75.105 and 184.227.61.104. Records obtained for Sprint /Nextel for IP addresses 173.122.135.138 and 173.149.75.105 and Clear Wireless IP address 184.227.61.104

⁶ Financial institutions and other businesses use the Automatic Number Identification (ANI) system to identify the directory number of a calling subscriber. ANI is one of the core technologies behind the 911 emergency service.

disclosed subscriber data for William TOTARO, 1254 NW 45th Street, Pompano Beach, FL 33064, cellular telephone number 954-817-3077, user ID “wtotalo02@sprintpcs.com.”

Diversion of Funds

39. Typically, on the same day that funds were deposited and transferred between PSG accounts, the same amount was withdrawn at ATMs or TD Bank branch locations in Florida. This pattern of activity is typical of what is commonly referred to as a “bust-out scheme” whereby a suspect’s bank account balance is “boosted” with checks and the funds are withdrawn rapidly before either the checks fail to clear or holds are placed on the checks by the victim. In this case, TD Bank suffered a loss of \$16,823.35 as a result of this scheme.

40. TD Bank provided numerous bank surveillance camera photographs which depict TOTARO withdrawing funds from the PSG accounts using a debit card linked to the accounts or cashing checks drawn on the PSG accounts inside TD Bank branches in Deerfield Beach and Boca Raton, FL. TOTARO would make numerous withdrawals from more than one TD Bank branch on the same date, usually in conjunction with a deposit from one of the victims. Bank surveillance photographs also captured CASWELL making withdrawals from PSG accounts at TD Bank branches in Massachusetts.

41. In addition to withdrawing the funds via ATM and cashing checks drawn on the PSG accounts, a review of the PSG accounts revealed numerous Point-of-Sale debit card purchases for restaurants, merchandise and credit card payments, as well as payments to a variety of newspaper and other publications, including those that carried the PSG advertisements.

42. Numerous checks were also made payable to William Morse, also on days which coincided with a victim deposit. TD Bank records for the PSG accounts revealed 14 checks payable to William Morse which totaled approximately \$7,325 from August 16, 2010 through

November 12, 2010. These checks were either cashed at TD Bank or at Bank of America where Morse is an accountholder.

43. Further investigation revealed AMIRTO set up ACH direct deposit payroll transfers from the TD Bank PSG accounts to PSG "employee" accounts. At least one of the accounts, at Bank Atlantic, was a personal account controlled by AMIRTO. According to records of the ACH batch transfers, AMIRTO paid himself in this manner approximately \$11,600 with an additional \$4,125 paid to a JP Morgan Chase bank account controlled by Laura Savoie. USPS records revealed that Laura Savoie receives mail at AMIRTO's address.

44. In at least one instance, AMIRTO transferred a victim deposit directly into his personal bank account at Bank Atlantic. Records provided by Ebay/PayPal, which was used by some victims to transfer funds to PSG, revealed that on September 14, 2010, William Mitchell of Springfield, IL deposited \$3,100 into AMIRTO's PSG PayPal account.⁷ Between September 14 and 15, 2010, AMIRTO conducted two separate wire transfers for \$1,500 each, from the PayPal account to AMIRTO's personal checking account at Bank Atlantic. AMIRTO's current home address of 4761 NE 28th Avenue, Boca Raton, FL 33434 was used for the PayPal accounts.

45. A review of the PSG bank records further revealed that only a fraction of the funds provided by victims in this scheme were used by PSG officers in the manner intended by the victims, which was to provide training, support, and leads to newly hired affiliates in their respective geographic areas. No credit repair service was ever provided.

⁷ PayPal was used by at least nine victims to transmit funds to PSG. As with TD Bank, PayPal has reported suffering a loss of \$23,373.80 related to the "bust-out" scheme using the PSG account.

Use of the Mails

46. A number of the PSG affiliate/victims have provided evidence that they mailed checks to PSG as a result of the misrepresentations made by PSG. A select few examples are detailed below.

47. Judith Snyder of Somers, CT was interviewed on January 21, 2011. According to information provided by Snyder, and from documents collected following her interview, Snyder responded to a business opportunity advertisement in her local paper. The advertisement read, in its entirety:

A BUSINESS FOR SALE!! Established for 3 years. Will Train. Nets 100k. Can operate from anywhere. \$3,800 down. Call Jerry 1-800-418-8250.

After agreeing to become an affiliate with PSG, Snyder mailed a check for \$3,800 on October 29, 2010 via United States Postal Service Express Mail from the Somers, CT post office to the PSG business address in Burlington, MA. The Tracking number confirmed the package was delivered to its destination on November 1, 2010. On November 16, 2010, Snyder mailed via USPS Certified Mail a letter addressed to "Jerry Lawrence." The letter, which was received and signed for on November 18, 2010, advised "Lawrence" that Snyder no longer wished to be associated with PSG and requested a full refund of the \$3,800 previously sent to PSG, as stipulated in the Affiliate Agreement she and "Lawrence" signed on October 29, 2010.

48. Ann Parker and Mark Powers of Crofton, MD responded to a victim questionnaire on June 7, 2011, that had been previously mailed to all known victims. In addition to answering the questions on the form, Powers provided supporting documentation on their interaction with PSG. Powers first spoke with PSG affiliate David Sherman on or around October 22, 2010. Powers agreed to become an affiliate and received numerous e-mail

communications from both Sherman and “Jerry Lawrence.” Some of these e-mails included links to PSG’s websites, the New Affiliate Application and a list of references. “Lawrence” also e-mailed Powers the Affiliate Agreement for signature and a confirmation of the signed executed copy. “Lawrence” also e-mailed Powers wire transfer coordinates for PSG bank account at TD Bank in Woburn, MA. On November 8, 2010, Powers mailed a check for \$4,400 via USPS Express Mail from the Crofton, MD post office to the PSG address in Burlington, MA. The Tracking number confirmed the package was delivered to its destination on November 9, 2010.

49. Matthew Pflug of Keokuk, IA was interviewed on July 21, 2011. Pflug advised that he spoke with PSG affiliate David Sherman and agreed to become an affiliate with the company. Pflug recalled that he spoke with “Jerry Lawrence” who advised him to wire transfer the up-front fee to the PSG account in Massachusetts. Pflug responded that he had reservations about wire transferring money and opted instead to overnight it to PSG. Pflug recalled that “Lawrence” had stated that the fee was raised from \$3,800 to \$4,400 and that if he got the funds in by a certain deadline, “Lawrence” would honor the lesser amount. On November 11, 2010, Pflug mailed a check for \$4,358.34 via United Parcel Service (UPS) from a UPS Store in Iowa to the PSG address in Burlington, MA. The Tracking number confirmed the package was delivered to its destination on November 12, 2010. On November 12, 2010, bank surveillance cameras at the TD Bank branch at 7 New England Executive Park, Burlington, MA, captured Barbara Rosman depositing the Pflug check into PSG General Account 1, account ending in *4974. After Pflug received a call from Sherman advising that the PSG was a scam, Pflug contacted his bank and had a stop payment placed on the check.

50. David Hubert of West Seneca, CT recalled that he read an advertisement about a business opportunity in the *Buffalo News* and first spoke with “Lawrence” in the Summer of

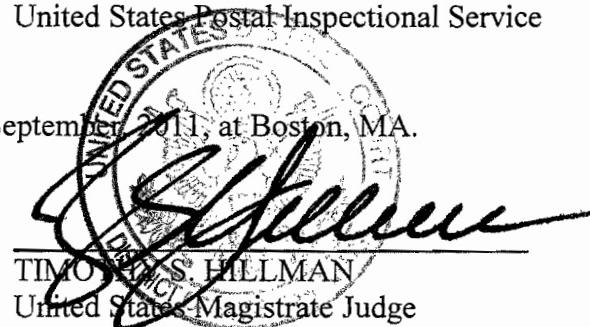
2010. Hubert declined the initial offer and was contacted about two months later by a PSG affiliate asking him to reconsider. Hubert then received a call from another affiliate with the same sales pitch. On November 11, 2010, Hubert received a signed the Affiliate Agreement which had been sent to him via e-mail by "Jerry Lawrence." On the same date, Hubert received a call from "Lawrence" urging him to FedEx his check in by that Friday because he had another person looking into the Buffalo territory. On November 11, 2010, Hubert mailed a check for \$4,375 via Federal Express from a Blasdell, NY to the PSG address in Burlington, MA. The Tracking number confirmed the package was delivered to its destination on November 12, 2010.

CONCLUSION

51. Based on my knowledge, training and experience and the facts set forth in this Affidavit, I have probable cause to believe and do believe that LAWRENCE AMIRTO, JAMON CASWELL and WILLIAM TOTARO committed mail fraud and conspiracy to commit mail fraud in violation of 18 U.S.C. §§ 371 and 1341.


Frederick Busch
Postal Inspector
United States Postal Inspectional Service

Subscribed and sworn before me this 15 day of September 2011, at Boston, M.A.


TIMOTHY S. HILLMAN
United States Magistrate Judge